0016

July 16, 2003

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington Utah 84542

Re: Approval of Topsoil Salvage Reports for Substation and Refuse Pile Construction, Dugout Mine, Canyon Fuel Company, LLC., C/007/039-AM03D, Task ID #1308 and AM03E, Task ID #1200, Outgoing File

Dear Mr. Olsen:

Thank you for the recent reports on the topsoil salvage activity at the Dugout Canyon Mine substation site and the Dugout Canyon Mine Refuse Storage site. These reports fulfill the performance standard requirement of having a soils specialist on site during topsoil salvage and are hereby approved. The information provided with amendments AM03D & AM03E has been incorporated into the Mining and Reclamation Plan. A stamped incorporated copy is included for your files. A copy of our Technical Analysis is also enclosed.

The reports provide a valuable record of Mr. Larsen's observations during the topsoil salvage activity, but should be followed by as-builts of the topsoil and subsoil piles that provides a surveyed accounting of the volume of topsoil/subsoil in storage at the Dugout Refuse Storage site and the Soldier Canyon Topsoil Storage site. The Division understands that such information is being gathered and will be submitted in another amendment to update the MRP. Thank you for your diligence in this matter.

If you have any questions, please contact Priscilla Burton at (801) 538-5288 or myself at (801) 538- 5325.

Sincerely,

/S/

Daron Haddock
Permit Supervisor

an
Enclosure
cc: Ranvir Singh, OSM
Jim Kohler, BLM
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office
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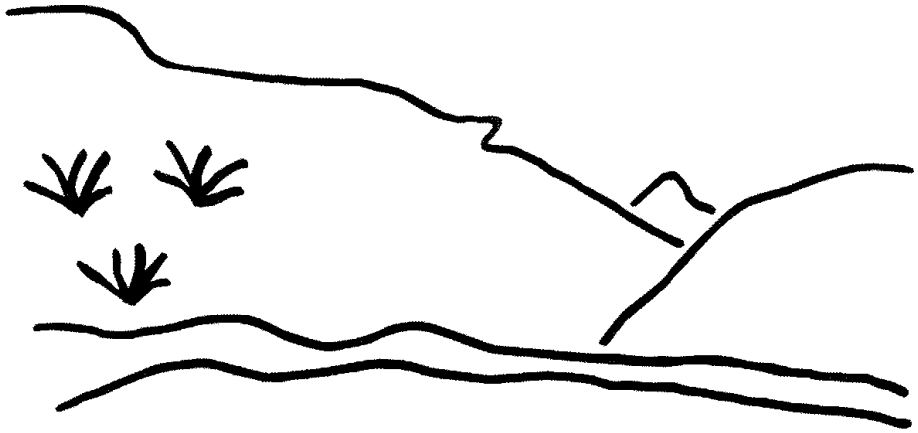
State of Utah



Utah Oil Gas and Mining

Dugout Mine
Soil Data and Topsoil Salvage Report
C/007/039-AM03D & AM03E
Task ID # 1308 & 1200
Technical Analysis
July 16, 2003

TECHNICAL ANALYSIS

The Division ensures compliance with the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at http://ogm.utah.gov/coal

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings, which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference, which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

INTRODUCTION

Salvage of topsoil during recent construction activity at the Dugout Mine was observed and monitored by Mr.Daniel Larsen, a soil scientist with Environmental Industrial Services. Mr. Larsen's reports to the Permittee are being submitted as addendums to the Dugout Canyon Mine MRP to fulfill the performance standard requirement of having a soils specialist on site during topsoil salvage. The substation topsoil salvage report is an addendum to Appendix 2-5 of the MRP and the refuse pile topsoil salvage report is an addendum to Attachment 2-1 of the Refuse Pile Amendment supplement to the MRP.

The reports provide a valuable record of Mr. Larsen's observations during the topsoil salvage activity, but should be followed by an as-built of the topsoil and subsoil piles that provides a surveyed accounting of the volume of topsoil/subsoil in storage at the Dugout Refuse Storage site and the Soldier Canyon Topsoil Storage site.

INTRODUCTION

GENERAL CONTENTS

REPORTING OF TECHNICAL DATA

Regulatory Reference: 30 CFR 777.13; R645-301-130.

Analysis:

Mr. Daniel Larsen is the soil scientist who conducted the soil survey for the refuse pile amendment. His qualifications as a soil scientist have been established with the Division. His familiarity with the sites (refuse pile and mine site substation) made him a good candidate for the position of observing and directing topsoil salvage during the construction activity.

Findings:

The information provided meets the minimum requirements for Reporting of Technical Data.

GENERAL CONTENTS

OPERATION PLAN

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-230.

Analysis:

Removal and Storage

Section 232.100 of the MRP and Section 232.100 of the Refuse Amendment indicate that a professional soil scientist will be on-site during soil salvage operations to supervise and optimize salvage volumes. Mr. Larsens reports fulfill this requirement and provide a valuable record of Mr. Larsen's observations during the topsoil salvage before construction of the small substation at the mine site and before construction of the refuse disposal area.

Currently it is estimated that 27,450 cubic yards of Dugout Canyon topsoil is stored in three stockpiles at the Soldier Canyon topsoil storage pile (Table 2-2, MRP, pg 2-31 and Plate 2-3). Topsoil and subsoil salvaged and stored at the Refuse site amounts to approximately 15,000 cubic yards (personal communication with Vickie Miller, June 2003).

These consultant's reports should followed by a revision of the text and plates describing topsoil storage (Refuse Amendment Section 234.100 and MRP Section 231.400 page 2-30 and 2-31), **including cross-sections of the topsoil piles as constructed** as per R645-301-231.400.

Findings:

The information provided meets the minimum requirements for Operations Topsoil Subsoil Performance Standards.